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# UPDATES: Landownership Restrictions

## Data updates from the Resources and Technology Division

Resources and Technology Division  
Economic Research Service  
U.S. Department of Agriculture

October 1993

### State Restrictions on Landownership By Foreigners and Businesses

Many States have laws restricting ownership of U.S. land by foreigners and business entities. Others merely require such landholdings to be reported.

Most of the laws have been on the books for a number of years. Four States updated their landownership restrictions between 1990 and 1992. Kansas and Minnesota updated their corporate farming statutes to reflect the authorization of limited liability companies. Mississippi repealed its statutory restriction on purchases of State land by aliens and corporations, and Missouri repealed its constitutional (but not its statutory) restrictions on corporate landownership.

Twenty-eight States have some type of law restricting ownership of real property by foreigners. The restrictions vary greatly in the degree of their severity.

Idaho, for example, merely restricts the acquisition of State-owned lands or interests therein by foreigners. Other States restrict the acquisition of land generally or agricultural land specifically. Still other States (Georgia, Kentucky, Maryland) limit their restrictions to "enemy" aliens. Indiana and other States restrict the amount of acreage that foreigners may hold. Finally, some States, Minnesota, for example, prohibit alien ownership of land, but they generally have exceptions to those prohibitions for certain land uses, such as for mining or research.

Thirteen States have laws restricting business entities from owning land or from farming in the State. Many of these laws restrict the ownership of agricultural land. Several States, Iowa for example, have long lists of exceptions (such as for family farm corporations or authorized farm corporations) to the general restrictions.

Ten States require foreigners to report the land they own in the State. The reporting laws enable States to monitor the extent of foreign ownership. Foreign individuals or corporations or U.S. corporations with a significant foreign ownership interest are usually required to file these reports. In addition, seven States allow or direct the State agency charged with monitoring foreign investment to use data collected by the Federal Government under the Agricultural Foreign Investment Disclosure Act.

Ten States have laws requiring business entities to report the land they own in the State. The information required in these reports varies but is usually similar to that required of foreign corporations doing business in the State or to that required of foreign individuals owning land in the State.

Details appear in *State Restrictions on Landownership by Aliens and Businesses*, December 31, 1992, AH-702, by J. David Aiken.

Further information: J. Peter DeBraal, RTD (202) 219-0425.

#### Data Releases Planned

**RTD UPDATES**, published by the Resources and Technology Division, is a series of data highlights relating to agricultural resources, the environment, food safety, global change, and technology. Surveys of farm operators and others knowledgeable about changing agricultural resource conditions provide vital information to the RTD research program and are the source of these data highlights. **RTD UPDATES** gives readers recent data acquisitions, with only minimal interpretation or analysis. This quick release of data should enhance your analytical efforts and decisions. Please contact the individual listed in the text of **RTD UPDATES** on the availability and timing of additional information. Different resource and technology issues are featured each issue, depending on a availability of data. **A complete listing of released Updates appears on the back page of this issue.**



Alien and business ownership restrictions and reporting requirements, by State

State	Aliens		Business entities	
	Restrictions	Reporting requirement	Restrictions	Reporting requirement
Alabama				
Alaska				
Arizona			x	
Arkansas		x		
California	x			
Colorado				
Connecticut				
Delaware				
Florida			x	
Georgia	x	x		
Hawaii				
Idaho	x			
Illinois	x	x	x	x
Indiana	x			
Iowa	x	x	x	x
Kansas	x		x	x
Kentucky	x			
Louisiana			x	x
Maine				x
Maryland	x			
Massachusetts				
Michigan				
Minnesota	x	x	x	x
Mississippi	x			
Missouri	x	x	x	x
Montana	x			
Nebraska	x		x	
Nevada	x			
New Hampshire	x			
New Jersey	x			
New Mexico				
New York	x			
North Carolina	x			
North Dakota	x	x	x	x
Ohio		x		
Oklahoma	x		x	x
Oregon	x			
Pennsylvania	x			
Rhode Island				
South Carolina	x			
South Dakota	x		x	x
Tennessee				
Texas				
Utah				
Vermont				
Virginia	x	x		
Washington				
West Virginia				
Wisconsin	x	x	x	
Wyoming	x			

\*/ Source: Aiken, J.David. State Restrictions on Landownership by Aliens and Businesses, December 31, 1992, AH-702, Econ. Res. Serv. U.S. Dept. of Agric. (Sept. 1993)

Legend:

- Restrictions
- Reporting requirements
- Both

Legend:

- Restrictions
- Reporting requirements
- Both

Source: Economic Research Service, USDA.



## RTD UPDATES

DATE	TITLE
March 1992	Vegetable Survey
April 1992	Foreign Landownership
May 1992	Cropping Practices Surveys
June 1992	Early-Season Water Supplies
July 1992	Agricultural Land Values
August 1992	Tillage Systems
September 1992	Conservation Reserve
October 1992	Farm Machinery
January 1993	Area Studies - Central Nebraska Basins
February 1993	Tillage Systems
March 1993	Fertilizer Use and Trade
April 1993	Agricultural Real Estate Taxes
May 1993	Foreign Landownership
June 1993	Changes in Farmland Values
June 1993	Area Studies - White River Basin
July 1993	Cropping Practices
July 1993	Agricultural Land Values
August 1993	Area Studies - Lower Susquehanna River Basin
August 1993	Changes in Farmland Values
September 1993	1993 Cropland Use
September 1993	Area Studies - Mid Columbia River Basin
October 1993	Farm Machinery
October 1993	Landownership Restrictions

To subscribe (free) or to obtain back issues contact Richard Magleby, Managing Editor (202) 219-0436.

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# RTD UPDATES: Farm Machinery

Data updates for employees and colleagues of the Resources and Technology Division

Resources and Technology Division  
Economic Research Service  
U.S. Department of Agriculture

CURRENT SERIAL RECORDS  
ACQ. / SERIALS BRANCH

October 1993

## Farm Machinery Purchases Up From a Year Ago

Sales of tractors, combines, and other farm machinery increased over the first 8 months of 1993, compared to the corresponding period in 1992. Sales of farm tractors totaled 52,800 units in 1992. Through August 1993, sales were 38,144 units, up from 34,388 units in August 1992. Combine sales were up 6 percent from August 1992 to August 1993. Sales were up nearly every month from the corresponding months of the past 2 years.

Several factors affect the demand for farm machinery including farm income, debt, assets, cash receipts, and the interest rate. Farm income, assets, and cash receipts, are positively correlated--as these indicators rise, so do sales of farm machinery. Debt and the interest rate are negatively correlated--as these indicators fall, farm machinery sales rise. The current rise in sales is probably due largely to the effects of rising farm incomes, lower interest rates, higher asset values, and lower farm debt.

Exports of farm machinery rose 12 percent in January-July 1993, compared to the corresponding period in 1992. Imports also rose, but only by half as much. The trade balance for farm machinery was positive.

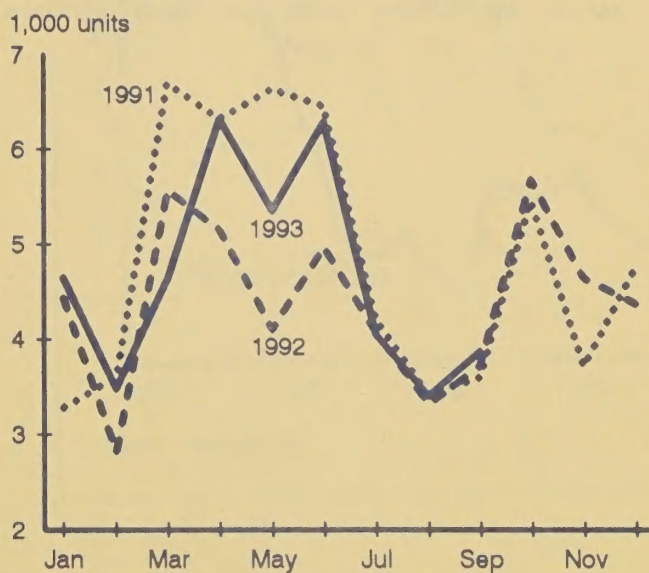
Capital depreciation of farm machinery has exceeded capital investment every year since 1980 in the United States. This negative net investment is known as capital depletion and was most pronounced in the mid 1980's. One factor that may contribute to capital depletion is a trend toward conservation tillage. Fewer tillage operations put less hours on machinery, resulting in less capital investment.

Other farm machinery statistics appear in the October 1993 **Agricultural Resources, Inputs Situation and Outlook Report**. For further information contact Marlow Vesterby, RTD, (202) 219-0422.

### Data Releases Planned

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### Farm Tractor Sales



Wheel tractors, 40 horsepower and above.  
Source: Equipment Manufacturers Institute.



## Trends in U.S. farm investment expenditures and factors affecting farm investment demand

Item	1988	1989	1990	1991	1992P
\$ billion					
Capital expenditures:					
Tractors	2.54	2.90	3.12	2.59	2.8
Other farm machinery	4.22	5.09	5.59	5.41	5.1
Total	6.76	7.99	8.71	8.00	7.9
Tractor and machinery repairs	4.02	5.41	4.37	4.48	4.2
Trucks and autos	2.36	2.58	2.62	2.39	2.3
Farm buildings 1/	2.39	2.53	2.80	2.75	2.4
Factors affecting demand:					
Interest expenses	14.3	13.8	13.3	12.1	11
Total production expenses	137.0	144.0	149.9	150.3	149
Farm business assets:					
Real estate assets 2/	595.5	615.7	628.2	623.2	633.1
Nonreal estate assets 2/	205.6	214.1	220.2	220.7	228.1
Farm business debt 2/ 3/	139.4	137.2	136.8	138.8	138.3
Agricultural exports 4/	35.4	39.6	40.1	37.5	42.3
Cash receipts	151.2	161.2	170.0	168.7	171
Net farm income	38.8	46.9	46.5	40.0	48
Net cash income	54.5	54.7	55.9	53.3	57
Direct government payments	14.5	10.9	9.3	8.2	9
Million acres					
Idled acres 5/	77.7	60.8	61.6	64.5	54.9
Percent					
Real prime rate 6/ 7/ 8/	5.4	6.5	5.7	4.4	3.7
Nominal farm machinery and equipment loan rate 7/ 8/	11.7	12.8	12.3	11.3	9.3
Real farm machinery and equipment loan rate 6/ 8/	8.4	8.4	8.0	7.2	6.7
Debt-asset ratio 9/	17.4	16.5	16.1	16.4	16.1

1/ Includes service buildings structures, and land improvements. 2/ Calculated using nominal dollar balance sheet data, excluding farm households, for December 31 of each year. 3/ Excludes CCC loans. 4/ Fiscal year. 5/ Includes acres idled through commodity programs and acres enrolled in the Conservation Reserve Program. 6/ Deflated by the GDP deflator. 7/ Average annual interest rate. From the quarterly sample survey of commercial banks: Agricultural Financial Databook, Board of Governors of the Federal Reserve System. 8/ 2nd quarter 1993. 9/ Outstanding farm debt divided by the sum of farm real and nonreal estate asset values. P-preliminary.

Source: Agricultural Income and Finance, Situation and Outlook Reports, and other ERS sources.



# Farm machinery exports and imports 1/

Item	January-July			
	1991	1992	1992	1993
	Million dollars			
Exports:				
Total	1,556	1,706	1,059	1,188
Tractors 2/				
Tractors, 40-100 HP	12	18	11	13
Tractors, over 100 HP	335	355	244	269
Tractors, used	84	76	51	48
Other misc. tractors	65	81	42	59
Combines and harvesters	279	283	178	213
Balers	59	65	42	41
Mowers	46	47	36	38
Haying equipment	23	23	16	28
Plows 3/	11	10	6	7
Disk harrows	5	6	4	6
Cultivators and tillers	52	67	41	58
Spraying equipment	22	24	14	13
Seeders and planters	29	34	23	31
Fertilizing equipment	22	22	14	16
Cleaning and grading equip	14	19	10	7
Livestock equipment	320	383	225	234
Parts and components	177	190	103	111
Imports:				
Total	1,606	1,633	1,005	1,070
Tractors 2/				
Tractors, 40-100 HP	547	569	353	344
Tractors, over 100 HP	172	188	99	78
Tractors, used	46	38	24	33
Other misc. tractors	251	241	144	190
Combines and harvesters	57	54	37	42
Balers	8	6	4	4
Mowers	60	60	43	43
Haying equipment	14	7	5	9
Plows 3/	20	11	7	7
Disk harrows	33	24	12	11
Cultivators and tillers	44	38	24	30
Spraying equipment	32	38	29	26
Seeders and planters	19	26	14	32
Fertilizing equipment	14	15	9	10
Cleaning and grading equip	6	4	3	8
Livestock equipment	82	90	51	63
Parts and components	200	224	147	138

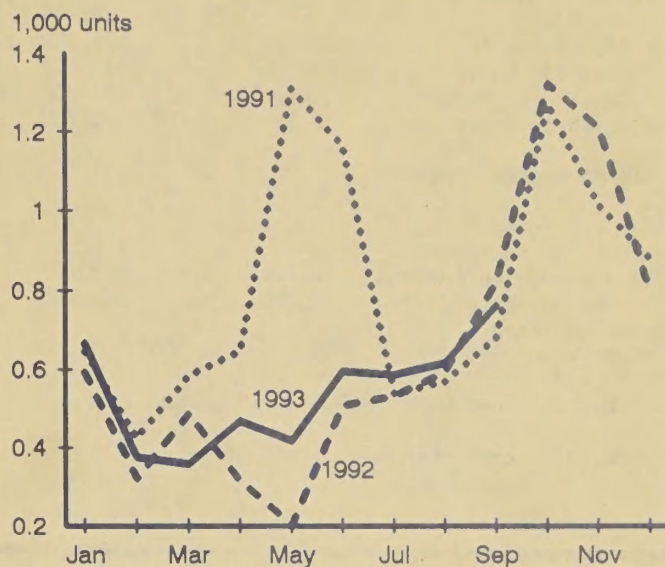
1/ Some items may not be comparable to previous data due to reclassification.

2/ Excludes crawler tractors.

3/ Includes moldboard, disk and other plows.

Source: Official statistics of the U.S. Department of Commerce.

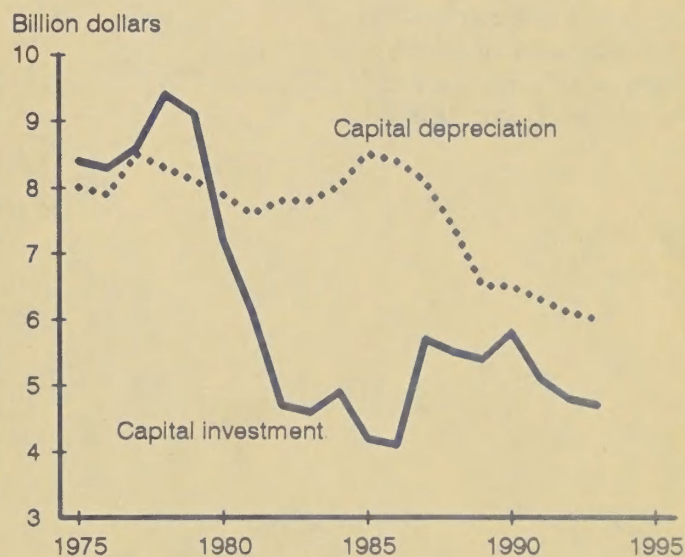
## Combine Sales



Self-propelled combines

Source: Equipment Manufacturers Institute.

## Machinery Capital Investment and Capital Depreciation



Adjusted to 1975 dollars.

## Domestic farm machinery unit sales

Machinery category	1986	1987	1988	1989	1990	1991	1992	Jan-Sep 1993	Change 91-92	Jan-Sep 92-93
	Units							Percent		
Tractors:										
Two-wheel-drive										
40-99 hp	30,800	30,700	33,100	35,000	38,400	33,900	34,500	26,900	2	4
100-139 hp 1/	5,100	5,100	4,300	5,200						
Over 139 hp 1/	9,100	10,800	11,800	15,400						
Total over 99 hp	14,300	15,900	16,100	20,600	22,800	20,100	15,600	13,000	-22	24
Four-wheel-drive	2,000	1,700	2,700	4,100	5,100	4,100	2,700	2,100	-35	18
All farm wheel tractors	47,100	48,400	51,700	59,700	66,300	58,100	52,800	42,000	-9	10
Grain and forage										
harvesting equipment:										
Self-propelled combines	7,700	7,200	6,000	9,100	10,400	9,700	7,700	4,400	-21	11
Forage harvesters 1/2/	2,200	2,300	2,400	2,800						
Haying equipment:										
Mower conditions 1/	10,900	11,200	11,000	13,200						

1/ Discontinued after 1989. 2/ Shear bar type.

Source: Equipment Manufacturers Institute (EMI).

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